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1973 CGL CHANGES

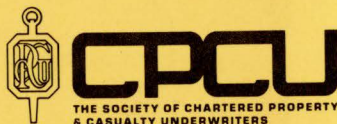
An Analysis

Prepared

As an Educational Service of

The Society of

Chartered Property and Casualty Underwriters



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Introduction

This analysis of the 1972 revision of the Comprehensive General Liability Policy was developed by the staff of the Society of CPCU for use by its 99 chapters as study programs and for individual Society of Chartered Property and Casualty Underwriter members.

Because of the interest this material has generated among the Society members and their requests that this material be made available to their friends and business associates, this booklet is being distributed nationally as a service to the insurance industry.

In connection with this material, the Society has available half day and full day programs with outstanding speakers. For information contact James E. Reed, Director of Continuing Education, Society of CPCU, Box 566, Media, Pennsylvania 19063.

With acceptance of the proposed changes, amendments to them will also be required. These amendments may be in the form of amendatory endorsements or the amendments may be incorporated in the revised coverage when forms are printed.

There are three amendments that apply to certain of the coverage parts included in the analysis. An appendix has been prepared and has been inserted after the analysis pages. The user of the analysis is requested to review this appendix so as to have full information on the proposed changes.

Acknowledgment

The Society wishes to acknowledge the able assistance of the following CPCUs in the preparation of this material.

George M. Korn, '57
William A. Sherry, '57
Bernard L. Webb, '57
Edited by:
Duane D. Zellers, CPCU

1972 CHAPTER PROGRAM

PART #1

HISTORY OF LIABILITY CHANGES

By Bernard L. Webb, CPCU

General liability insurance policies have been available in this country TABLE OF CONTENTS Initially, each insurer

designed its own policy. The result was a wide variety of policy provisions, with consequent confusion for insurance buyers, producers, claims adjusters and the

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The buyers could not effectively compare costs quoted by competing insurers because of differences in cover-			
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In 1939, at the request of the New York Insurance Department, the National Bureau of Casualty and Surety Underwriters and the Mutual Casualty Insurance Rating Bureau undertook the development of standard general liability policy forms for the use of their members. The policies were released in 1940.¹ The 1940 policies were revised in 1943,² and again in 1955.³

The 1955 policies were rather complex documents, and resulted in numerous court decisions for the insured

1972 CHAPTER PROGRAM

PART #1

HISTORY OF LIABILITY CHANGES

By Bernard L. Webb, CPCU

General liability insurance policies have been available in this country for many years. Initially, each insurer designed its own policy. The result was a wide variety of policy provisions, with consequent confusion for insurance buyers, producers, claims adjusters and the courts.

The buyers could not effectively compare costs quoted by competing insurers because of differences in coverages. Court interpretations of the policy of one company could not be applied readily to the policies of another insurer because of differences in wording and coverage. Finally, the loss statistics of various insurers could not be combined for ratemaking purposes, because the losses would vary with differences in coverage.

In 1939, at the request of the New York Insurance Department, the National Bureau of Casualty and Surety Underwriters and the Mutual Casualty Insurance Rating Bureau undertook the development of standard general liability policy forms for the use of their members. The policies were released in 1940.¹ The 1940 policies were revised in 1943,² and again in 1955.³

The 1955 policies were rather complex documents, and resulted in numerous court decisions for the insured

on the grounds that the policies were too complex to be understood, or were ambiguous.⁴

In order to reduce the complexity of the policies, and to adapt the policies to changed circumstances, the National Bureau of Casualty Underwriters and the Mutual Insurance Rating Bureau began in 1959 to prepare new policies. The revisions were completed and became effective in 1966.

The complexity of the 1955 policy forms had resulted in part from the inclusion of all of the coverages in the basic policy form, with those coverages purchased by a particular insured indicated by a premium entry in the declarations section. This arrangement resulted in most policies including many provisions and exclusions which were not applicable to the particular insured. The 1966 revisions attempted to remedy this problem by using a basic policy jacket, to which could be attached a separate insuring form for each of the coverages.

The policy jacket included only those parts of the contract which were common to all policies, such as supplementary payments, definitions, and conditions. The insuring agreements, exclusions and other provisions

peculiar to a particular coverage were included in the insuring form. Insurance companies were allowed considerable latitude in the arrangement of these policy parts. They could, for example, print both the policy jacket and the insuring form as a single document. The only firm rule was that the exclusions must follow immediately after the insuring agreement.

The 1966 liability policies have been discussed in detail by many authors.⁵ Much of the comment from professional risk managers and consultants has been unfavorable. It has been the view of these large consumers that the 1966 policies are more restrictive than the earlier forms. One risk manager characterized the 1966 Comprehensive General Liability Policy as, "one of the greatest examples of negative thinking that has been proposed by the insurance industry in the last decade." The critics generally have recommended that the policies be broadened by the addition of several endorsements. The principal modifications recommended are:

1. redefinition of bodily injury to specifically include death, mental anguish, etc.,
2. redefinition of occurrence to make it clear that the policy covers damages resulting from repeated exposure to conditions,

4.

3. redefinition of property damage to include loss of use of property.⁶

In an effort to satisfy the objections of the critics, and to adapt to changing conditions, the Insurance Service Office and the Mutual Insurance Rating Bureau have drafted new liability policy forms to become effective on March 1, 1972.

NOTES

1. E. W. Sawyer, Comprehensive Liability Insurance, (New York, The Underwriter Printing and Publishing Company, 1943), pp. 20-21.
2. Ibid, pp. 147-157.
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4. See Norman Nachman, "The New Policy Provisions for General Liability Insurance," CPCU Annals, Vol. 18, No. 3; Fall, 1965, pp. 197-198.
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201-771 Liability Policy, (New York, 1988, 1988)
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6. Wachtman Security Management, Inc.
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No. 2; March, 1988, p. 14-15, 1988, 1988



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& CASUALTY UNDERWRITERS

9.

1966 CGL

PROPOSED CHANGES

GENERAL LIABILITY-AUTOMOBILE POLICY

SUPPLEMENTARY PAYMENTS

(d) reasonable expenses incurred by the **insured** at the company's request, including actual loss of wages or salary (but not loss of other income) not to exceed \$25 per day because of his attendance at hearings or trials at such request.

(d) reasonable expenses incurred by the **insured** at the company's request in assisting the company in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed \$25 per day.

Expenses no longer limited to those involved in attending hearings and trials. Loss of earnings includes commissions as well as wages and salary.

DEFINITIONS

"bodily injury" means bodily injury, sickness or disease sustained by any person;

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

Editorial change. Same intent as formerly under definitions of "damages" and "occurrence". Definition of "damages" removed.

"occurrence" means an accident, including injurious exposure to conditions, which results, during the policy period, in **bodily injury** or **property damage** neither expected nor intended from the standpoint of the **insured**;

"occurrence" means an accident, including continuous or repeated exposure to conditions, which results in **bodily injury** or **property damage** neither expected nor intended from the standpoint of the **insured**;

Expansion of coverage. Intent is to include not only accident but also exposure to conditions for a period of time. New definitions of bodily injury and property damage include requirement that these occur during policy term.

"property damage" means injury to or destruction of tangible property;

"property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period;

Clarifies intent "property damage" also means loss of use of tangible property which has not been physically injured or destroyed.

4. Insured's Duties in the Event of Occurrence, Claim or Suit:

- (a) In the event of an **occurrence**, written notice containing particulars sufficient to identify the **insured** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the **insured** to the company or any of its authorized agents as soon as practicable. The **named insured** shall promptly take at his expense all reasonable steps to prevent other **bodily injury** or **property damage** from arising out of the same or similar conditions, but such expense shall not be recoverable under this policy.
- (b) If claim is made or suit is brought against the **insured**, the **insured** shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.
- (c) The **insured** shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **insured** because of **bodily injury** or **property damage** with respect to which insurance is afforded under this policy; and the **insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **insured** shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

4. Insured's Duties in the Event of Occurrence, Claim or Suit

- (a) In the event of an **occurrence**, written notice containing particulars sufficient to identify the **insured** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the **insured** to the company or any of its authorized agents as soon as practicable.
- (b) If claim is made or suit is brought against the **insured**, the **insured** shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.
- (c) The **insured** shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **insured** because of injury or damage with respect to which insurance is afforded under this policy; and the **insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **insured** shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

Elimination of last sentence in (a) emphasizes that any steps taken are at insured's expense. Supplementary payments (d) indicates what expenses are payable by company. Definition of "occurrence" sets out conditions as to whether event is covered.

Editorial change in (c) is to make compatible with personal injury coverage part.

10. Three Year Policy: If this policy is issued for a period of three years, the limits of the company's liability shall apply separately to each consecutive annual period thereof.

10. Three Year Policy If this policy is issued for a period of three years any limit of the company's liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period thereof.

Clarification. Aggregate limit applies to each annual period of a 3-year policy.

COMPREHENSIVE GENERAL LIABILITY INSURANCE

Exclusions

- (b) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any **automobile** or aircraft owned or operated by or rented or loaned to the **named insured**, or

(2) any other **automobile** or aircraft operated by any person in the course of his employment by the **named insured**;

but this exclusion does not apply to the parking of an **automobile** on premises owned by, rented to or controlled by the **named insured** or the ways immediately adjoining, if such **automobile** is not owned by or rented or loaned to the **named insured**;

- (b) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or

(2) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to the parking of an **automobile** on premises owned by, rented to or controlled by the **named insured** or the ways immediately adjoining, if such **automobile** is not owned by or rented or loaned to any **insured**;

The change to "any insured" from "Name Insured" in subdivisions (1) and (2) and in the "but" clause make it clear that exclusion applies regardless of who is insured. Additional insureds under persons insured (Insuring Agreement II) get no broader coverage than named insured.

- (c) to **bodily injury** or **property damage** arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;

New. The 1966 edition covered vehicles used for racing, demolition derbies, etc., activities if they were unlicensed. New edition excludes such vehicles from coverage. Also snowmobiles excluded.

- (c) to **bodily injury** or **property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to the **named insured**;

- (d) to **bodily injury** or **property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to any **insured**;

Formerly exclusion (c). Editorial changes involving substitution of "any insured" for "name insured" made for reasons mentioned under new edition exclusion (b).

- (d) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft, if the **bodily injury** or **property damage** occurs away from premises owned by, rented to or controlled by the **named insured**; but this exclusion does not apply to **bodily injury** or **property damage** included within the **products hazard** or the **completed operations hazard** or resulting from operations performed for the **named insured** by independent contractors or to liability assumed by the **insured** under an **incidental contract**;

- (e) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any watercraft owned or operated by or rented or loaned to any **insured**, or

(2) any other watercraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the **named insured**;

Formerly exclusion (d). Follows the automobile exclusion. Revised to exclude watercraft of independent contractors. Clarification of intent to eliminate contractual liability with respect to watercraft under incidental contracts.

- (f) to **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

New. This exclusion contains provisions of present "contamination or pollution" endorsement.

- (f) to **bodily injury** or **property damage** for which the insured or his indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage

- (1) in violation of any statute, ordinance or regulation,
- (2) to a minor,
- (3) to a person under the influence of alcohol, or
- (4) which causes or contributes to the intoxication of any person;

- (h) to **bodily injury** or **property damage** for which the insured or his indemnitee may be held liable

- (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or

- (2) if not so engaged, as an owner or lessor of premises used for such purposes,

by reason of the selling, serving or giving of any alcoholic beverage

- (i) in violation of any statute, ordinance or regulation,
- (ii) to a minor,
- (iii) to a person under the influence of alcohol, or
- (iv) which causes or contributes to the intoxication of any person;

but parts (ii), (iii) and (iv) of this exclusion do not apply with respect to liability of the insured or his indemnitee as an owner or lessor described in (2) above;

Formerly exclusion (f). New wording limits scope so that exclusion applies only when liability is imposed on owners or lessors by statute, ordinance or regulation.

- (k) to **bodily injury** or **property damage** resulting from the failure of the named insured's products or work completed by or for the named insured to perform the function or serve the purpose intended by the named insured, if such failure is due to a mistake or deficiency in any design, formula, plan, specifications, advertising material or printed instructions prepared or developed by any insured; but this exclusion does not apply to **bodily injury** or **property damage** resulting from the active malfunctioning of such products or work;

- (m) to loss of use of tangible property which has not been physically injured or destroyed resulting from

- (1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or

- (2) the failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;

Formerly exclusion (k). New exclusion does not apply to bodily injury or to physical damage to tangible property including loss of use of such physically injured property. New exclusion applies to loss of use of tangible property which has not been physically injured with no distinction between "employee" (bench) or "management" (design) errors.

Coverage A—The limit of **bodily injury** liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all **damages** because of **bodily injury** sustained by one person as the result of any one **occurrence**; but subject to the above provision respecting "each person", the total liability of the company for all **damages** because of **bodily injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the schedule as applicable to "each **occurrence**".

Subject to the above provisions respecting "each person" and "each **occurrence**", the total liability of the company for all **damages** because of (1) all **bodily injury** included within the **completed operations hazard** and (2) all **bodily injury** included within the **products hazard** shall not exceed the limit of **bodily injury** liability stated in the schedule as "aggregate".

Coverage A—The total liability of the company for all **damages**, including **damages** for care and loss of services, because of **bodily injury** sustained by one or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the [declarations]⁴ as applicable to "each **occurrence**."

Subject to the above provision respecting "each **occurrence**", the total liability of the company for all **damages** because of (1) all **bodily injury** included within the **completed operations hazard** and (2) all **bodily injury** included within the **products hazard** shall not exceed the limit of **bodily injury** liability stated in the [declarations]⁴ as "aggregate".

The "per person" limit for **bodily injury** has been eliminated. Only an **occurrence** limit applies plus an **aggregate** limit for **products** and **completed operations**. Reference to "damages for care and loss of services" has been inserted. This formerly was part of definition of "damages" which has been eliminated in new edition.

IV. POLICY PERIOD; TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs during the policy period within the **policy territory**.

IV. POLICY TERRITORY

This [insurance]² applies only to **bodily injury** or **property damage** which occurs within the **policy territory**.

Reference to "policy period" has been eliminated. New definitions of "bodily injury" and "property damage" include this reference.

Formerly exclusion (c). Editorial changes involving substitution of "any insured" for "named insured" made for reasons mentioned under new edition exclusion (b). Follows CGL Change.

- (a) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft, if the **bodily injury** or **property damage** occurs away from the insured premises, but this exclusion may not apply to liability assumed by the insured under an incidental contract.
- (1) any watercraft owned or operated by or rented or loaned to any insured, or
- (2) any other watercraft operated by any person in the course of his employment by any insured.
- but this exclusion does not apply to watercraft while ashore on the insured premises.

Formerly exclusion (4). Follows the automobile exclusion. Revised to exclude watercraft of independent contractors. Clarification of intent to eliminate contractual liability with respect to watercraft under incidental contracts follows CGL change.

Damage A—The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [declaration], as applicable to "each occurrence."

Subject to the above provision respecting "each occurrence," the total liability of the company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the [declaration], as "aggregate."

The [declaration] limit for bodily injury has been eliminated. Only an aggregate limit applies to aggregate damage limit for products and completed operations. Reference to "damages for care and loss of services" has been inserted. This formerly was part of definition of "damages" which has been eliminated in new edition.

IV. POLICY TERRITORY

This [insurance] applies only to bodily injury or property damage which occurs within the policy territory.

Reference to "policy period" has been eliminated. New definitions of "bodily injury" and "property damage" include this reference.

Damage A—The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [declaration], as applicable to "each occurrence."

Damage B—The total liability of the company for all damages because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [declaration], as applicable to "each occurrence."

Subject to the above provision respecting "each occurrence," the total liability of the company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the [declaration], as "aggregate."

Damage C—The total liability of the company for all damages because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [declaration], as applicable to "each occurrence."

Damage D—The total liability of the company for all damages because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [declaration], as applicable to "each occurrence."

Damage E—The total liability of the company for all damages because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [declaration], as applicable to "each occurrence."

Damage F—The total liability of the company for all damages because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [declaration], as applicable to "each occurrence."

Damage G—The total liability of the company for all damages because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [declaration], as applicable to "each occurrence."

Damage H—The total liability of the company for all damages because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [declaration], as applicable to "each occurrence."

Damage I—The total liability of the company for all damages because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [declaration], as applicable to "each occurrence."

Damage J—The total liability of the company for all damages because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [declaration], as applicable to "each occurrence."

formerly word (f) [insurance] applies only to bodily injury or property damage which occurs within the policy territory.

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I. COVERAGE A—BODILY INJURY LIABILITY

COVERAGE B—PROPERTY DAMAGE LIABILITY

Exclusions

- (b) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of
- (1) any **automobile** or aircraft owned or operated by or rented or loaned to the **named insured**, or
 - (2) any other **automobile** or aircraft operated by any person in the course of his employment by the **named insured**;
- but this exclusion does not apply to the parking of an **automobile** on **insured premises**, if such **automobile** is not owned by or rented or loaned to the **named insured**;
- (b) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of
- (1) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or
 - (2) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;
- but this exclusion does not apply to the parking of an **automobile** on **insured premises**, if such **automobile** is not owned by or rented or loaned to any **insured**;
- (c) to **bodily injury or property damage** arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any pre-arranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;
- (c) to **bodily injury or property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to the **named insured**;
- (d) to **bodily injury or property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to any **insured**;
- (d) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft, if the **bodily injury or property damage** occurs away from the **insured premises**, but this exclusion does not apply to liability assumed by the **insured** under an **incidental contract**;
- (e) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of
- (1) any watercraft owned or operated by or rented or loaned to any **insured**, or
 - (2) any other watercraft operated by any person in the course of his employment by any **insured**;
- but this exclusion does not apply to watercraft while ashore on the **insured premises**;

The change to "any insured" from "Named Insured" in subdivisions (1) and (2) and in the "but" clause make it clear that exclusion applies regardless of who is insured. Additional insureds under persons insured (Insuring Agreement II) get no broader coverage than named insured. Follows CGL change.

Formerly exclusion (c). Editorial changes involving substitution of "any insured" for "named insured" made for reasons mentioned under new edition exclusion (b). Follows CGL Change.

Formerly exclusion (d). Follows the automobile exclusion. Revised to exclude watercraft of independent contractors. Clarification of intent to eliminate contractual liability with respect to watercraft under incidental contracts follows CGL change.

- (f) to **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

New. This exclusion contains provisions of present "contamination or pollution" endorsement.

Follows CGL Change.

- (f) to **bodily injury** or **property damage** for which the insured or his indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage
- (1) in violation of any statute, ordinance or regulation,
 - (2) to a minor,
 - (3) to a person under the influence of alcohol, or
 - (4) which causes or contributes to the intoxication of any person;

- (h) to **bodily injury** or **property damage** for which the insured or his indemnitee may be held liable

- (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or
- (2) if not so engaged, as an owner or lessor of premises used for such purposes,

by reason of the selling, serving or giving of any alcoholic beverage

- (i) in violation of any statute, ordinance or regulation,
 - (ii) to a minor,
 - (iii) to a person under the influence of alcohol, or
 - (iv) which causes or contributes to the intoxication of any person;
- but parts (iii), (iii) and (iv) of this exclusion do not apply with respect to liability of the insured or his indemnitee as an owner or lessor described in (2) above;

Formerly exclusion (f). New wording limits scope so that exclusion applies only when liability is imposed on owners or lessors by statute, ordinance or regulation.

Follows CGL change.

- (m) to loss of use of tangible property which has not been physically injured or destroyed resulting from

- (1) a delay in or lack of performance by or on behalf of the **named insured** of any contract or agreement, or
- (2) the failure of the **named insured's** products or work performed by or on behalf of the **named insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **named insured's** products or work performed by or on behalf of the **named insured** after such products or work have been put to use by any person or organization other than an insured;

New. Exclusion does not apply to bodily injury or to physical damage to tangible property including loss of use of such physically injured property. New exclusion applies to loss of use of tangible property which has not been physically injured with no distinction between "employee" (bench) or "management" (design) errors. Follows CGL change.

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability is limited as follows:

Coverage A—The limit of **bodily injury** liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all **damages** because of **bodily injury** sustained by one person as the result of any one **occurrence**; but subject to the above provision respecting "each person", the total liability of the company for all **damages** because of **bodily injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the schedule as applicable to "each **occurrence**".

Issuance of any statement showing a premium charge is offered for statement in the policy with respect to Premium Medical Payments Coverage.

(2) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any automobile or aircraft owned or operated by or rented or loaned to the named insured; or

(ii) any other automobile or aircraft operated by any person in the course of his employment by the named insured;

but this exclusion does not apply to the parking of an automobile on the insured premises, and no exclusion is not applied to or rented or loaned to the insured.

V. POLICY PERIOD; TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs during the policy period within the **policy territory**.

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability [under Part -----] ¹ is limited as follows:

Coverage A—The total liability of the company for all damages, including damages for care and loss of services, because of **bodily injury** sustained by one or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the [declarations] ⁷ as applicable to "each **occurrence**".

The "per person" limit for **bodily injury** has been eliminated. Only an **occurrence** limit applies. Reference to "damages for care and loss of services" has been inserted. This formerly was part of definition of "damages" which has been eliminated in new edition. Follows CGL change.

V. POLICY TERRITORY

This [insurance] ³ applies only to **bodily injury** or **property damage** which occurs within the **policy territory**.

Reference to "policy period" has been eliminated. New definitions of "bodily injury" and "property damage" include this reference. Follows CGL change.

Insurance is under persons insured (Insuring Agreement II) get no broader coverage than named insured. Follows CGL change.

(2) arising out of (i) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any shooting activity or in practice or preparation for any such contest or activity or (ii) the operation or use of any snowmobile or tracked device for use thereon;

Change in CGL, and other liability coverage parts excludes vehicles used for racing etc. thus, elimination of bodily injury coverage on these vehicles also eliminates medical payments coverage.

(2) arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft, if the bodily injury occurs away from the insured premises; or

(2) arising out of the ownership, maintenance, operation, use, loading or unloading of

(i) any watercraft owned or operated by or rented or loaned to any insured; or

(ii) any other watercraft operated by any person in the course of his employment by any insured;

but this exclusion does not apply to watercraft while ashore on the insured premises; or

Follows the reasoning mentioned for exclusion (a) (1) of new edition.

(4) arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to the named insured;

(4) arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any insured;

Editorial change involving substitution of "any insured" for named insured. See comment exclusion (a) (1).

Regulation of the number of (1) insureds under the policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) claims made or suits brought on account of bodily injury or property damage, the company's liability (under Part A) is limited as follows:

Coverage A—The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [insertion], as applicable to each occurrence.

Part B—The limit of bodily injury liability for all damages sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [insertion], as applicable to each occurrence.

Follows CGL Change.

Part C—The limit of bodily injury liability for all damages sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [insertion], as applicable to each occurrence.

The "per person" limit for bodily injury has been eliminated. Only one occurrence limit applies to all damages for care and loss of services. This change follows CGL change.

V. POLICY TERRITORY

This [insertion] applies only to bodily injury or property damage which occurs within the policy territory.

Reference to "policy period" has been eliminated. New definitions of "bodily injury" and "property damage" include this reference. Follows CGL change.

Formerly exclusion (F). New wording applies to all occurrences which occur only when liability is imposed on owners or lessors by statute, ordinance or regulation. Follows CGL change.

Part D—The limit of bodily injury liability for all damages sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [insertion], as applicable to each occurrence.

Part E—The limit of bodily injury liability for all damages sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the [insertion], as applicable to each occurrence.

I. COVERAGE E—PREMISES MEDICAL PAYMENTS

Exclusions

This insurance does not apply:

(a) to bodily injury

- (1) arising out of the ownership, maintenance, operation, use, loading or unloading of any **elevator** unless a premium charge is entered for **elevators** in the policy with respect to Premises Medical Payments Coverage;

- (2) arising out of the ownership, maintenance, operation, use, loading or unloading of

- (i) any **automobile** or aircraft owned or operated by or rented or loaned to the **named insured**, or
(ii) any other **automobile** or aircraft operated by any person in the course of his employment by the **named insured**;

but this exclusion does not apply to the parking of an **automobile** on the **insured premises**, if such **automobile** is not owned by or rented or loaned to the **named insured**;

- (3) arising out of the ownership, maintenance, operation, use, loading or unloading of any **watercraft**, if the **bodily injury** occurs away from the **insured premises**; or

- (4) arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to the **named insured**;

This [insurance] does not apply [under Part-----]

Former exclusion (a) (1) has been deleted. This eliminates need for "amendment of premises medical payments insurance endorsement."

(a) to bodily injury

- (1) arising out of the ownership, maintenance, operation, use, loading or unloading of

- (i) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or
(ii) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to the parking of an **automobile** on the **insured premises**, if such **automobile** is not owned by or rented or loaned to any **insured**;

The change to "any insured" from "Named Insured" in subdivisions (1) and (2) and in the "but" clause make it clear that exclusion applies regardless of who is insured. Additional insureds under persons insured (Insuring Agreement II) get no broader coverage than named insured. Follows CGL change.

- (2) arising out of (i) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (ii) the operation or use of any snowmobile or trailed designed for use therewith;

Change in CGL, and other liability coverage parts excludes vehicles used for racing etc. thus, elimination of bodily injury coverage on these vehicles also eliminates medical payments coverage.

- (3) arising out of the ownership, maintenance, operation, use, loading or unloading of

- (i) any **watercraft** owned or operated by or rented or loaned to any **insured**, or
(ii) any other **watercraft** operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to **watercraft** while ashore on the **insured premises**; or

Follows the reasoning mentioned for exclusion (a) (1) of new edition.

- (4) arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to any **insured**;

Editorial change involving substitution of "any insured" for named insured. See comment exclusion (a) (1).

- (3) resulting from the selling, serving or giving of any alcoholic beverage (i) in violation of any statute, ordinance or regulation, (ii) to a minor, (iii) to a person under the influence of alcohol or (iv) which causes or contributes to the intoxication of any person; but this exclusion (b) (3) applies only if the **named insured** is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or is an owner or lessor of premises used for such purposes;

- (3) resulting from the selling, serving or giving of any alcoholic beverage (i) in violation of any statute, ordinance or regulation, (ii) to a minor, (iii) to a person under the influence of alcohol or (iv) which causes or contributes to the intoxication of any person, if the **named insured** is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or, if not so engaged, is an owner or lessor of premises used for such purposes but only part (i) of this exclusion (b) (3) applies when the **named insured** is such an owner or lessor;

Coordinates with revised liability exclusion.

COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

Exclusions

(b) to **bodily injury** or **property damage** for which the **insured** may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage

- (1) in violation of any statute, ordinance or regulation,
- (2) to a minor,
- (3) to a person under the influence of alcohol, or
- (4) which causes or contributes to the intoxication of any person;

(b) to **bodily injury** or **property damage** for which the **insured** may be held liable

- (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or
- (2) if not so engaged, as an owner or lessor of premises used for such purposes,

by reason of the selling, serving or giving of any alcoholic beverage

(i) in violation of any statute, ordinance or regulation,

(ii) to a minor,

(iii) to a person under the influence of alcohol, or

(iv) which causes or contributes to the intoxication of any person;

but parts (ii), (iii) and (iv) of this exclusion do not apply with respect to liability of the **insured** as an owner or lessor described in (2) above;

New wording limits scope so that exclusion applies only when liability is imposed on owners or lessors by statute ordinance or regulation. Change also made in comprehensive general liability coverage part.

(e) to **bodily injury** or **property damage** resulting from the failure of the **named insured's products** or work completed by or for the **named insured** to perform the function or serve the purpose intended by the **named insured**, if such failure is due to a mistake or deficiency in any design, formula, plan, specifications, advertising material or printed instructions prepared or developed by any **insured**; but this exclusion does not apply to **bodily injury** or **property damage** resulting from the active malfunctioning of such products or work;

(e) to loss of use of tangible property which has not been physically injured or destroyed resulting from

- (1) a delay in or lack of performance by or on behalf of the **named insured** of any contract or agreement, or
- (2) the failure of the **named insured's products** or work performed by or on behalf of the **named insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **named insured's products** or work performed by or on behalf of the **named insured** after such products or work have been put to use by any person or organization other than an **insured**;

Exclusion in new edition does not apply to bodily injury or to physical damage to tangible property including loss of use of such physically injured property. New exclusion applies to loss of use of tangible property which has not been physically injured with no distinction between "employee" (bench) or "management" (design) errors. This change also made in comprehensive General Liability Coverage part.

- (i) to **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental.

New. This exclusion contains provisions of present "contamination or pollution" endorsement. This change also made in comprehensive General Liability Coverage part.

LIMITS OF LIABILITY

Coverage A—The limit of **bodily injury** liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all **damages** because of **bodily injury** sustained by one person as the result of any one **occurrence**; but subject to the above provision respecting "each person", the total liability of the company for all **damages** because of **bodily injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the schedule as applicable to "each **occurrence**".

Coverage A—The total liability of the company for all **damages**, including **damages** for care and loss of services, because of **bodily injury** sustained by one or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the [declarations]³ as applicable to "each **occurrence**".

The "Per person" limit for **bodily injury** has been eliminated. Only an **occurrence** limit applies plus an aggregate limit. Reference to "damages for care and loss of services" has been inserted. This formerly was part of definition of "damages" which has been eliminated. Corresponds to CGL part change.

IV. POLICY PERIOD; TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs during the policy period within the **policy territory**.

IV. POLICY TERRITORY

This [insurance]² applies only to **bodily injury** or **property damage** which occurs within the **policy territory**.

Reference to "policy period" has been eliminated as new definitions of **bodily injury** and **property damage** include this reference. Corresponds to CGL part change.

Exclusions

- (h) to **bodily injury or property damage** arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any pre-arranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith:

New. The 1966 edition covered vehicles used for racing, demolition derbies, etc., activities if they were unlicensed. New edition excludes such vehicles from coverage. Also, snowmobiles excluded. Follows CGL change.

- (i) to **bodily injury or property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

New. This exclusion contains provisions of present "contamination or pollution" endorsement. Follows CGL change.

- (j) to loss of use of tangible property which has not been physically injured or destroyed resulting from
- (1) a delay in or lack of performance by or on behalf of the **named insured** of any contract or agreement, or
 - (2) the failure of the **named insured's products** or work performed by or on behalf of the **named insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**;
- but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **named insured's products** or work performed by or on behalf of the **named insured** after such products or work have been put to use by any person or organization other than an **insured**.

New. Exclusion does not apply to bodily injury or to physical damage to tangible property including loss of use of such physically injured property. New exclusion applies to loss of use of tangible property which has not been physically injured with no distinction between "employee" (bench) or "management" (design) errors. Follows CGL change.

Coverage A—The limit of **bodily injury** liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all **damages** because of **bodily injury** sustained by one person as the result of any one **occurrence**; but subject to the above provision respecting "each person", the total liability of the company for all **damages** because of **bodily injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the schedule as applicable to "each **occurrence**".

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability is limited as follows:

Coverage A—The total liability of the company for all **damages**, including **damages** for care and loss of services, because of **bodily injury** sustained by one or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the declarations as applicable to "each **occurrence**".

The "per person" limit for **bodily injury** has been eliminated only an **occurrence** limit applies. Reference to "**damages**" for care and loss of services" has been inserted. This formerly was part of definition of "**damages**" which has been eliminated in new edition. Follows CGL change.

V. POLICY TERRITORY

This policy applies only to **bodily injury** or **property damage** which occurs during the policy period within the **policy territory**.

This policy applies only to **bodily injury** or **property damage** which occurs within the **policy territory**.

Reference to "policy period" has been eliminated. New definitions of "**bodily injury**" and "**property damage**" include this reference. Follows CGL change.

Exclusions

This insurance does not apply:

- (a) if the **insured** or his indemnitee is an architect, engineer or surveyor, to **bodily injury or property damage** arising out of professional services performed by such **insured** or indemnitee, including
- (1) the preparation or approval of maps, plans, opinions, reports, surveys, designs or specifications and
 - (2) supervisory, inspection or engineering services;

This [insurance]² does not apply [under Part _____]¹:

- (a) if the **insured** or his indemnitee is an architect, engineer or surveyor, to **bodily injury or property damage** arising out of the rendering of or the failure to render professional services by such **insured** or indemnitee, including
- (1) The preparation or approval of maps, plans, opinions, reports, surveys, designs or specifications and
 - (2) supervisory, inspection or engineering services;

The language "arising out of professional services performed by such insured or indemnitee" has been changed to clarify intent that failure to render the services is to be excluded.

- (c) to **bodily injury or property damage** for which the indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage (1) in violation of any statute, ordinance or regulation, (2) to a minor, (3) to a person under the influence of alcohol, or (4) which causes or contributes to the intoxication of any person;

- (c) to **bodily injury or property damage** for which the indemnitee may be held liable

- (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or
- (2) if not so engaged, as an owner or lessor of premises used for such purposes,

by reason of the selling, serving or giving of any alcoholic beverage

- (i) in violation of any statute, ordinance or regulation,
- (ii) to a minor,

(iii) to a person under the influence of alcohol, or

- (iv) which causes or contributes to the intoxication of any person;

but parts (ii), (iii) and (iv) of this exclusion do not apply with respect to liability of the indemnitee as an owner or lessor described in (2) above;

New wording limits scope so that exclusion applies only when liability is imposed on owners or lessors by statute, ordinance or regulation. Follows change made in CGL coverage part.

- (h) to **bodily injury or property damage** resulting from the failure of the **named insured's products** or work completed by or for the **named insured** to perform the function or serve the purpose intended by the **named insured**, if such failure is due to a mistake or deficiency in any design, formula, plan, specifications, advertising material or printed instructions prepared or developed by any **insured**; but this exclusion does not apply to **bodily injury or property damage** resulting from the active malfunctioning of such products or work;

- (h) to loss of use of tangible property which has not been physically injured or destroyed resulting from

- (1) a delay in or lack of performance by or on behalf of the **named insured** of any contract or agreement, or
- (2) the failure of the **named insured's products** or work performed by or on behalf of the **named insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **named insured's products** or work performed by or on behalf of the **named insured** after such products or work have been put to use by any person or organization other than an **insured**;

Exclusion in new edition does not apply to bodily injury or to physical damage to tangible property including loss of use of such physically injured property. New exclusion applies to loss of use of tangible property which has not been physically injured with no distinction between "employee" (bench) or "management" (design) errors. This change also made in CGL coverage part.

- (l) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity;

New. No coverage for any mobile equipment used in racing, demolition derbies, etc. This follows change also made in CGL coverage part.

- (m) to **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

New. This exclusion contains provisions of present "contamination or pollution" endorsement. This change also made in CGL coverage part.

III. LIMITS OF LIABILITY

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability is limited as follows:

Coverage Y—The limit of **bodily injury** liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all **damages** because of **bodily injury** sustained by one person as the result of any one **occurrence**; but subject to the above provision respecting "each person", the total liability of the company for all **damages** because of **bodily injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the schedule as applicable to "each **occurrence**".

III. LIMITS OF LIABILITY

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability [under Part _____] ¹ is limited as follows:

Coverage Y—The total liability of the company for all **damages**, including **damages** for care and loss of services, because of **bodily injury** sustained by one or more persons as a result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the [declarations] ⁴ as applicable to "each **occurrence**".

The "per person" limit for contractual **bodily injury** has been eliminated. Only an **occurrence** limit applies. Reference to "damages for care and loss of services" has been inserted. This formerly was part of definition of "damages" which has been eliminated. Corresponds to CGL coverage part change.

V. POLICY TERRITORY

This [insurance] ² applies only to **bodily injury** or **property damage** which occurs within the **policy territory**.

Reference to "policy period" has been eliminated as new definitions of **bodily injury** and **property damage** include this reference. Corresponds to CGL coverage part change.

V. POLICY PERIOD; TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs during the policy period within the **policy territory**.

COVERAGE FOR PREMISES AND FOR [THE NAMED INSURED'S OPERATIONS IN PROGRESS]

Exclusions

(b) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any **automobile** or aircraft owned or operated by or rented or loaned to the **named insured**, or

(2) any other **automobile** or aircraft operated by any person in the course of his employment by the **named insured**;

but this exclusion does not apply to the parking of an **automobile** on premises owned by, rented to or controlled by the **named insured** or the ways immediately adjoining, if such **automobile** is not owned by or rented or loaned to the **named insured**;

(b) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of

(1) any **automobile** or aircraft owned or operated by or rented or loaned to **any insured**, or

(2) any other **automobile** or aircraft operated by any person in the course of his employment by **any insured**;

but this exclusion does not apply to the parking of an **automobile** on premises owned by, rented to or controlled by the **named insured** or the ways immediately adjoining, if such **automobile** is not owned by or rented or loaned to **any insured**;

The change to "any insured" from "Named Insured" in subdivisions (1) and (2) and in the "but" clause make it clear that exclusion applies regardless of who is insured. Additional insureds under persons insured (Insuring Agreement II) get no broader coverage than named insured. Follows CGL change.

(c) to **bodily injury or property damage** arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;

New. The 1966 edition covered vehicles used for racing, demolition derbies, etc. activities if they were unlicensed. New edition excludes such vehicles from coverage. Also, snowmobiles are excluded. Follows change in CGL coverage part.

(c) to **bodily injury or property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to the **named insured**;

(d) to **bodily injury or property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to **any insured**;

Formerly exclusion (c). Editorial changes involving substitution of "any insured" for "named insured" made for reasons mentioned under new edition exclusion (b). Follows CGL change.

- (d) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft, if the **bodily injury or property damage** occurs away from premises owned by, rented to or controlled by the **named insured**; but this exclusion does not apply to liability assumed by the **insured** under an **incidental contract**;

- (e) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of

- (1) any watercraft owned or operated by or rented or loaned to any **insured**, or
- (2) any other watercraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the **named insured**;

Formerly exclusion (d) Follows the automobile exclusion. Revised to exclude watercraft of independent contractors. Clarification of intent to eliminate contractual liability with respect to watercraft under incidental contracts. Follows CGL change.

- (f) to **bodily injury or property damage** for which the **insured** or his indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage
- (1) in violation of any statute, ordinance or regulation,
 - (2) to a minor,
 - (3) to a person under the influence of alcohol, or
 - (4) which causes or contributes to the intoxication of any person;

- (f) to **bodily injury or property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

New. This exclusion contains provisions of present "contamination or pollution" endorsement. Follows CGL change

- (h) to **bodily injury or property damage** for which the **insured** or his indemnitee may be held liable

- (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or
- (2) if not so engaged, as an owner or lessor of premises used for such purposes,

by reason of the selling, serving or giving of any alcoholic beverage

- (i) in violation of any statute, ordinance or regulation,
- (ii) to a minor,
- (iii) to a person under the influence of alcohol, or
- (iv) which causes or contributes to the intoxication of any person;

but parts (ii), (iii) and (iv) of this exclusion do not apply with respect to liability of the **insured** or his indemnitee as an owner or lessor described in (2) above;

Formerly exclusion (f). New wording limits scope so that exclusion applies only when liability is imposed on owners or lessors by statute, ordinance or regulation. Follows CGL change.

DRUGGISTS' LIABILITY

(m) to loss of use of tangible property which has not been physically injured or destroyed resulting from

- (1) a delay in or lack of performance by or on behalf of the **named insured** of any contract or agreement, or
- (2) the failure of the **named insured's products** or work performed by or on behalf of the **named insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental

physical injury to or destruction of the **named insured's products** or work performed by or on behalf of the **named insured** after such products or work have been put to use by any person or organization other than an **insured**;

Formerly exclusion (k). New exclusion does not apply to bodily injury or to physical damage to tangible property including loss of use of such physically injured property. New exclusion applies to loss of use of tangible property which has not been physically injured with no distinction between "employee" (bench) or "management" (design) errors.

Follows CGL change.

III. LIMITS OF LIABILITY

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability is limited as follows:

Coverage A—The limit of **bodily injury** liability stated in the schedule as applicable to "each person" is the limit of the company's liability for all **damages** because of **bodily injury** sustained by one person as the result of any one **occurrence**; but subject to the above provision respecting "each person", the total liability of the company for all **damages** because of **bodily injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the schedule as applicable to "each **occurrence**".

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability [under Part -----] ¹ is limited as follows:

Coverage A—The total liability of the company for all **damages**, including **damages** for care and loss of services, because of **bodily injury** sustained by one or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the [declarations] ⁷ as applicable to "each **occurrence**".

The "per person" limit for bodily injury has been eliminated. Only an occurrence limit applies. Reference to "damages for care and loss of services" has been inserted. This formerly was part of definition of "damages" which has been eliminated in new edition. Follows CGL change.

IV. POLICY TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs during the policy period within the **policy territory**.

This [insurance] ³ applies only to **bodily injury** or **property damage** which occurs within the **policy territory**.

Reference to "policy period" has been eliminated. New definitions of "bodily injury" and "property damage" include this reference. Follows CGL change.

(m) to loss of use of tangible property which has not been physically damaged or destroyed, or loss of use of such property resulting from the sudden and accidental physical injury to or destruction of the named insured's property or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than the insured;

Formerly exclusion (k). New exclusion does not apply to bodily injury or to physical damage to tangible property including loss of use of such property. New exclusion applies to loss of use of tangible property which has not been physically injured with no distinction between "employee" (bench) or "management" (design) errors. Follows CGL change.

(n) to loss of use of tangible property which has not been physically damaged or destroyed, or loss of use of such property resulting from the sudden and accidental physical injury to or destruction of the named insured's property or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than the insured;

Formerly exclusion (k). New exclusion does not apply to bodily injury or to physical damage to tangible property including loss of use of such property. New exclusion applies to loss of use of tangible property which has not been physically injured with no distinction between "employee" (bench) or "management" (design) errors. Follows CGL change.

Formerly exclusion (h). Follows the automobile exclusion. Revised to exclude watercraft of independent contractors. Clarification of intent to eliminate contractual liability with respect to watercraft under incidental contracts. Follows CGL change.

(o) to loss of use of tangible property which has not been physically damaged or destroyed, or loss of use of such property resulting from the sudden and accidental physical injury to or destruction of the named insured's property or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than the insured;

Formerly exclusion (k). New exclusion does not apply to bodily injury or to physical damage to tangible property including loss of use of such property. New exclusion applies to loss of use of tangible property which has not been physically injured with no distinction between "employee" (bench) or "management" (design) errors. Follows CGL change.

LIABILITY OF INSURED FOR DAMAGE TO PROPERTY OF OTHERS

Reference to the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) damages, shall be deemed to refer to the number of (1) insureds, (2) persons or organizations who sustain bodily injury or property damage, or (3) damages, as the case may be.

Coverage A - The total liability of the named insured for damages, including damages for care and loss of services, for bodily injury sustained by one or more persons or one entity, or any one occurrence shall not exceed the limit of bodily injury liability stated in the declaration, as applicable to each occurrence.

Reference to the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) damages, shall be deemed to refer to the number of (1) insureds, (2) persons or organizations who sustain bodily injury or property damage, or (3) damages, as the case may be.

Coverage A - The total liability of the named insured for damages, including damages for care and loss of services, for bodily injury sustained by one or more persons or one entity, or any one occurrence shall not exceed the limit of bodily injury liability stated in the declaration, as applicable to each occurrence.

The "per person" limit for bodily injury has been eliminated. Only an occurrence limit applies. Reference to damages for care and loss of services has been inserted. This formerly was part of definition of "damages" which has been eliminated in new edition. Follows CGL change.

Reference to the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) damages, shall be deemed to refer to the number of (1) insureds, (2) persons or organizations who sustain bodily injury or property damage, or (3) damages, as the case may be.

Coverage A - The total liability of the named insured for damages, including damages for care and loss of services, for bodily injury sustained by one or more persons or one entity, or any one occurrence shall not exceed the limit of bodily injury liability stated in the declaration, as applicable to each occurrence.

Formerly exclusion (f). New wording limits scope of exclusion to only no damages or liability incurred by or on behalf of insured or on behalf of policy territory.

This (insurance) applies only to bodily injury or property damage which occurs within the policy territory.

This insurance applies only to bodily injury or property damage which occurs during the policy period within the policy territory.

Reference to "policy period" has been eliminated. New definition of "bodily injury" and "property damage" includes this reference. Follows CGL change.

Exclusions

(f) to **bodily injury** or **property damage** for which the insured or his indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage

- (1) in violation of any statute, ordinance or regulation,
- (2) to a minor,
- (3) to a person under the influence of alcohol, or
- (4) which causes or contributes to the intoxication of any person.

(f) to **bodily injury** or **property damage** for which the insured or his indemnitee may be held liable

- (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or
- (2) if not so engaged, as an owner or lessor of premises used for such purposes,

by reason of the selling, serving or giving of any alcoholic beverage

- (i) in violation of any statute, ordinance or regulation,
- (ii) to a minor,
- (iii) to a person under the influence of alcohol, or
- (iv) which causes or contributes to the intoxication of any person;

but parts (ii), (iii) and (iv) of this exclusion do not apply with respect to liability of the insured or his indemnitee as an owner or lessor described in (2) above.

New wording limits scope so that exclusion applies only when liability is imposed on owners or lessors by statute, ordinance or regulation. Follows change made in CGL coverage part.

IV. POLICY PERIOD; TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs during the policy period within the **policy territory**.

IV. POLICY TERRITORY

This [insurance]² applies only to **bodily injury** or **property damage** which occurs within the **policy territory**.

Reference to "policy period" has been eliminated as new definitions of "bodily injury" and "property damage" include this reference. Corresponds to CGL coverage part change.

Formerly exclusion (c). Editorial change involving substitution of "any insured" for "named insured." See comment exclusion (b).

(a) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft, if the bodily injury or property damage occurs away from the insured premises; but this exclusion does not apply to bodily injury or property damage sustained within the premises or the completed operations period or resulting from operations performed for the insured by independent contractors or its liability assumed by the insured under an indemnity contract.

(1) any watercraft owned or operated by or rented or loaned to any insured, or

(2) any other watercraft operated by any person in the scope of his employment for any insured.

but this exclusion does not apply to watercraft while ashore on the insured premises.

Formerly exclusion (d). Follows the automobile exclusion. Revised to exclude watercraft of independent contractors. Clarification of intent to eliminate contractual liability with respect to watercraft under incidental contracts. Follows CGL change.

Exclusions

(1) to bodily injury or property damage for which the insured or his insurance may be held liable as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages as an owner, lessor or premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage.

(2) in violation of any statute, ordinance or regulation.

(3) to a minor.

(4) to a person under the influence of alcohol, at

(5) which causes or contributes to the intoxication of any person.

(1) to bodily injury or property damage for which the insured or his insurance may be held liable

(2) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or

(3) if not so engaged, as an owner or lessor of premises used for such purposes,

by reason of the selling, serving or giving of any alcoholic beverage

(4) in violation of any statute, ordinance or

regulation,

(5) to a minor,

(6) to a person under the influence of alcohol, or

(7) which causes or contributes to the intoxication of any person;

but parts (1), (2), (3), (4), (5) and (6) of this exclusion do not apply with respect to liability of the insured or his insurance as an owner or lessor described in (2)

above.

New wording limits scope so that exclusion applies only when liability is imposed on owners or lessors by statute, ordinance or regulation. Follows change made in CGL coverage part.

IV. POLICY TERRITORY

This insurance applies only to bodily injury or property damage which occurs within the policy territory.

Reference to "policy period" has been eliminated as new definitions of "bodily injury" and "property damage" include this reference. Corresponds to CGL coverage part change.

IV. POLICY PERIOD; TERRITORY

This insurance applies only to bodily injury or property damage which occurs during the policy period within the policy territory.

STOREKEEPER'S INSURANCE

Exclusions

- (b) to **bodily injury or property damage** arising out of the ownership, maintenance operation, use, loading or unloading of

- (1) any **automobile** or aircraft owned or operated by or rented or loaned to the **named insured**, or
- (2) any other **automobile** or aircraft operated by any person in the course of his employment by the **named insured**;

but this exclusion does not apply to the parking of an **automobile** on **insured premises**, if such **automobile** is not owned by or rented or loaned to the **named insured**;

- (b) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of

- (1) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or
- (2) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to the parking of an **automobile** on **insured premises**, if such **automobile** is not owned by or rented or loaned to any **insured**;

The change to "any insured" from "Named Insured" in subdivisions (1) and (2) and in the "but" clause make it clear that exclusion applies regardless of who is insured. Additional insureds under persons insured (Insuring Agreement II) get no broader coverage than named insured. Follows CGL change.

- (c) to **bodily injury or property damage** arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any pre-arranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;

New. The 1966 edition covered vehicles used for racing, demolition derbies, etc. activities if they were unlicensed. New edition excludes such vehicles from coverage; also snowmobiles. Follows CGL change.

- (c) to **bodily injury or property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to the **named insured**;

- (d) to **bodily injury or property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to any **insured**;

Formerly exclusion (c). Editorial change involving substitution of "any insured" for "named insured". See comment exclusion (b).

- (d) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft, if the **bodily injury or property damage** occurs away from the **insured premises**; but this exclusion does not apply to **bodily injury or property damage** included within the products hazard or the completed operations hazard or resulting from operations performed for the **named insured** by independent contractors or to liability assumed by the **insured** under an **incidental contract**;

- (e) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of

- (1) any watercraft owned or operated by or rented or loaned to any **insured**, or
- (2) any other watercraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to watercraft while ashore on the **insured premises**;

Formerly exclusion (d). Follows the automobile exclusion. Revised to exclude watercraft of independent contractors. Clarification of intent to eliminate contractual liability with respect to watercraft under incidental contracts. Follows CGL change.

- (f) to **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

New. This exclusion contains the provisions of present "contamination or pollution" endorsement. Follows CGL change.

- (f) to **bodily injury** or **property damage** for which the **insured** or his indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage
- (1) in violation of any statute, ordinance or regulation,
 - (2) to a minor,
 - (3) to a person under the influence of alcohol, or
 - (4) which causes or contributes to the intoxication of any person;

- (h) to **bodily injury** or **property damage** for which the **insured** or his indemnitee may be held liable

- (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or
- (2) if not so engaged, as an owner or lessor of premises used for such purposes,

by reason of the selling, serving or giving of any alcoholic beverage

- (i) in violation of any statute, ordinance or regulation,
- (ii) to a minor,
- (iii) to a person under the influence of alcohol, or
- (iv) which causes or contributes to the intoxication of any person;

but parts (ii), (iii) and (iv) of this exclusion do not apply with respect to liability of the **insured** or his indemnitee as an owner or lessor described in (2) above;

Formerly exclusion (f). New wording limits scope so that exclusion applies only when liability is imposed on owners or lessors by statute, ordinance or regulation. Follows CGL change.

- (i) to **property damage** to

- (1) property owned or occupied by or rented to the **insured**,
- (2) property used by the **insured**, or
- (3) property in the care, custody or control of the **insured** or as to which the **insured** is for any purpose exercising physical control;

but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement.

- (k) to **property damage** to

- (1) property owned or occupied by or rented to the **insured**,
- (2) property used by the **insured**, or
- (3) property in the care, custody or control of the **insured** or as to which the **insured** is for any purpose exercising physical control;

but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to **property damage** (other than to **elevators**) arising out of the use of an **elevator** at the **insured premises**;

Reference to "elevator" in the "but" clause eliminates the need for "amendment of storekeeper's insurance" endorsement.

(m) to loss of use of tangible property which has not been physically injured or destroyed resulting from

- (1) a delay in or lack of performance by or on behalf of the **named insured** of any contract or agreement, or
- (2) the failure of the **named insured's** products or work performed by or on behalf of the **named insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **named insured's** products or work performed by or on behalf of the **named insured** after such products or work have been put to use by any person or organization other than an insured;

New. Exclusion does not apply to bodily injury or to physical damage to tangible property including loss of use of such physically injured property. New exclusion applies to loss of use of tangible property which has not been physically injured with no distinction between "employee" (bench) or "management" (design) errors. Follows CGL change.

(p) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any escalator at the **insured premises**, unless the **named insured** owns, rents or controls only a part of the building and does not operate, maintain or control the escalator;

Reference to "elevator" changed to "escalator". No need for amendatory endorsement.

II. COVERAGE T—STOREKEEPER'S MEDICAL PAYMENTS

The company will pay to or for each person who sustains **bodily injury** caused by accident all reasonable **medical expense** incurred within one year from the date of the accident on account of such **bodily injury**, provided such **bodily injury** arises out of (a) a condition in the **insured premises** or (b) operations with respect to which the **named insured** is afforded coverage for **bodily injury** liability under this policy.

The company will pay to or for each person who sustains **bodily injury** caused by accident all reasonable **medical expense** incurred within one year from the date of the accident on account of such **bodily injury**, provided such **bodily injury** arises out of a condition in the **insured premises** or operations necessary or incidental thereto.

Clarified to require that the **bodily injury** arise out of "operations necessary or incidental" to the **insured premises**. Medical payments coverage parallels storekeeper's liability coverage.

Exclusions

This coverage does not apply:

(a) to **bodily injury**

- (1) arising out of the ownership, maintenance, operation, use, loading or unloading of any **elevator** at the **insured premises**, unless the **named insured** owns, rents or controls only a part of the building and does not operate, maintain or control the **elevator**;

This coverage does not apply:

(a) to **bodily injury**

- (1) arising out of the ownership, maintenance, operation, use, loading or unloading of any escalator at the **insured premises**, unless the **named insured** owns, rents or controls only a part of the building and does not operate, maintain or control the escalator;

References to "elevator" changed to "escalator". No need for "amendment of Storekeeper's insurance" endorsement.

- (2) arising out of the ownership, maintenance, operation, use, loading or unloading of
- (i) any **automobile** or aircraft owned or operated by or rented or loaned to the **named insured**, or
 - (ii) any other **automobile** or aircraft operated by any person in the course of his employment by the **named insured**;
- but this exclusion does not apply to the parking of an **automobile** on **insured premises**, if such **automobile** is not owned by or rented or loaned to the **named insured**;

- (2) arising out of the ownership, maintenance, operation, use, loading or unloading of
- (i) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or
 - (ii) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to the parking of an **automobile** on **insured premises**, if such **automobile** is not owned by or rented or loaned to any **insured**;

Exclusions (a) (2) and (a) (3) follow changes in storekeeper's liability exclusions.

- (3) arising out of (i) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (ii) the operation or use of any snowmobile or trailer designed for use therewith;

Follows change in storekeeper's liability exclusion.

- (3) arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft, if the **bodily injury** occurs away from the **insured premises**; or

- (4) arising out of the ownership, maintenance, operation, use, loading or unloading of
- (i) any watercraft owned or operated by or rented or loaned to any **insured**, or
 - (ii) any other watercraft operated by any person in the course of his employment by any **insured**;

Follows change in storekeeper's liability exclusion.

but this exclusion does not apply to watercraft while ashore on the **insured premises**; or

- (4) arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to the **named insured**;

- (5) arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to any **insured**;

Follows change in storekeeper's liability exclusion.

- (3) resulting from the selling, serving or giving of any alcoholic beverage
- (i) in violation of any statute, ordinance or regulation,
 - (ii) to a minor,
 - (iii) to a person under the influence of alcohol, or
 - (iv) which causes or contributes to the intoxication of any person; but this exclusion (b) (3) applies only if the **named insured** is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or is an owner or lessor of premises used for such purposes;

- (3) resulting from the selling, serving or giving of any alcoholic beverage (i) in violation of any statute, ordinance or regulation, (ii) to a minor, (iii) to a person under the influence of alcohol or (iv) which causes or contributes to the intoxication of any person, if the **named insured** is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or, if not so engaged, is an owner or lessor of premises used for such purposes but only part (i) of this exclusion (b) (3) applies when the **named insured** is such an owner or lessor;

Follows change in storekeeper's liability exclusion.

VI. ADDITIONAL CONDITIONS

LIMITATION OF COVERAGE TO STOREKEEPER'S
INSURANCE

COVERAGE L-PERSONAL LIABILITY

No other insurance afforded by this policy shall apply to **bodily injury or property damage** with respect to which insurance is afforded under Coverage S or T.]⁴

Eliminates need for "insured premises" amendatory endorsement.

VII. POLICY PERIOD; TERRITORY

This insurance applies only to **bodily injury or property damage** which occurs during the policy period within the **policy territory**.

VII. POLICY TERRITORY

This [insurance]² applies only to **bodily injury or property damage** which occurs within the **policy territory**.

Reference to "policy period" has been eliminated. New definitions of "bodily injury" and "property damage" include this reference. Follows CGL change.

(d) as bodily injury or property damage arising out of the operation, maintenance, operation, use, loading or unloading of any watercraft:

(1) owned by or rented to any insured if the watercraft has inboard or outboard motor power of more than 25 horsepower, or is a sailing vessel with or without auxiliary power, 25 feet or more in overall length;

(2) covered by any outboard motor 25 single or a combination of more than 25 with horsepower if such outboard motor (a) is owned by any insured at the inception of this policy and not declared in the Declaration, or (b) unless the insured reports in writing to this company within 60 days after acquisition the intention to install the inboard motor or combination of outboard motors, ownership of which was acquired prior to the policy period.

This exclusion does not apply to (a) bodily injury or property damage occurring on the insured premises or (b) bodily injury to any residence employee arising out of and in the course of his employment by any insured.

Follows homeowners exclusion 1(b) except for substitution of "insured premises" for "residence premises". It replaces former C.P.L. exclusion (c) (1) Liability, and the definitions of "aircraft, automobile or watercraft hazard" and "uninsured watercraft".

(e) as bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing, with respect to liability assumed by the insured under any contract or agreement or expenses for first aid under the Supplementary Payments provision.

Replaces exclusion (c) (2) of former edition and the "war hazard" definition. Both of these have been deleted.

COVERAGE L—PERSONAL LIABILITY

Exclusions

(c) to bodily injury or property damage included within (1) the aircraft, automobile or watercraft hazard or (2) the war hazard with respect to liability assumed by the insured under any contract or agreement or expenses for first aid under the Supplementary Payments provision;

(c) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:

- (1) any aircraft; or
- (2) any motor vehicle owned or operated by, or rented or loaned to any insured; but this subdivision (2) does not apply to bodily injury or property damage occurring on the insured premises if the motor vehicle is not subject to motor vehicle registration because it is used exclusively on the insured premises or kept in dead storage on the insured premises; or
- (3) any recreational motor vehicle owned by any insured, if the bodily injury or property damage occurs away from the insured premises; but this subdivision (3) does not apply to golf carts while used for golfing purposes.

This exclusion does not apply to bodily injury to any residence employee arising out of and in the course of his employment by any insured except while such employee is engaged in the operation or maintenance of aircraft;

New edition follows homeowners' exclusion 1(b) except for substitution of "insured premises" for "residence premises". New exclusion replaces former liability exclusion (c) (1) and definitions of "aircraft, automobile or watercraft hazard" and "midget automobile" in old edition. Insofar as snowmobiles are concerned, it eliminates need for endorsement "exclusion (snowmobiles)".

(d) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft:

- (1) owned by or rented to any insured if the watercraft has inboard or inboard-outboard motor power of more than 50 horsepower or is a sailing vessel (with or without auxiliary power) 26 feet or more in overall length; or
- (2) powered by any outboard motor (s), singly or in combination of more than 25 total horsepower, if such outboard motor (s) is owned by any insured at the inception of this policy and not declared in the [declarations]³, unless the insured reports in writing to this company within 45 days after acquisition his intention to insure the outboard motor or combination of outboard motors, ownership of which was acquired prior to the policy period.

This exclusion does not apply to (a) bodily injury or property damage occurring on the insured premises or (b) bodily injury to any residence employee arising out of and in the course of his employment by any insured;

Follows homeowners exclusion 1(b) except for substitution of "insured premises" for "residence premises". It replaces former C.P.L. exclusion (c) (1) liability, and the definitions of "aircraft, automobile or watercraft hazard" and "uninsured watercraft".

(e) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to liability assumed by the insured under any contract or agreement or expenses for first aid under the Supplementary Payments provision;

Replaces exclusion (c) (2) of former edition and the "war hazard" definition. Both of these have been deleted.

(d) to liability assumed by the insured under any contract or agreement; but this exclusion does not apply, except with respect to **property damage** included within the **fire hazard**, to (1) any indemnity obligation assumed under a written contract directly relating to the **insured premises** or (2) liability of others assumed under any other written contract;

(f) to liability assumed by the insured under any contract or agreement not in writing or under any contract or agreement in connection with business pursuits or professional services of the insured or in connection with **property damage** included within the **fire hazard**;

Follows homeowners' exclusion 2(a) and supplementary coverage 4. It replaces former C.P.L. exclusion (d) - liability.

(k) to **bodily injury** to any employee, other than a **residence employee**, of any insured arising out of and in the course of his employment by any insured in connection with the construction of a one or two family dwelling;

Follows homeowners' supplementary coverage 5. It fits into revision of definition of "insured premises" in Section VII "additional definitions".

(l) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any self-propelled land vehicle while being used in any pre-arranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

New exclusion. Follows similar exclusion in CGL revision. Vehicles used for racing, etc., activities are excluded.

II. COVERAGE M—PERSONAL MEDICAL PAYMENTS

The company will pay to or for each person who sustains **bodily injury** caused by accident all reasonable **medical expense** incurred within one year from the date of the accident on account of such **bodily injury**, provided such **bodily injury** (a) is sustained while on the **insured premises** with the permission of any insured or (b) is sustained elsewhere and (1) arises out of a condition in the **insured premises** or the ways immediately adjoining on land, or (2) is caused by any insured, by any **residence employee** in the course of his employment by an insured, or by any animal owned by or in the care of any insured or (3) is sustained by any **residence employee** and arises out of and in the course of his employment by any insured.

II. COVERAGE M—PERSONAL MEDICAL PAYMENTS

The company will pay to or for each person who sustains **bodily injury** caused by accident all reasonable **medical expense** incurred within one year from the date of the accident on account of such **bodily injury**, provided such **bodily injury** (a) is sustained while on the **insured premises** with the permission of any insured or (b) is sustained elsewhere and (1) arises out of a condition in the **insured premises** or the ways immediately adjoining or (2) is caused by any insured, by any **residence employee** in the course of his employment by an insured, or by any animal owned by or in the care of any insured or (3) is sustained by any **residence employee** and arises out of and in the course of his employment by any insured.

The words "on land" have been deleted from (b) (1), following homeowners' coverage F.

Exclusions

(c) to **bodily injury** included within (1) the **aircraft, automobile or watercraft hazard** or (2) the **war hazard**;

(c) to **bodily injury** arising out of the ownership, maintenance, operation, use, loading or unloading of:

- (1) any aircraft; or
- (2) any **motor vehicle** owned or operated by, or rented or loaned to any insured; but this subdivision (2) does not apply to **bodily injury** occurring on the **insured premises** if the **motor vehicle** is not subject to motor vehicle registration because it is used exclusively on the **insured premises** or kept in dead storage on the **insured premises**; or
- (3) any **recreational motor vehicle** owned by any insured, if the **bodily injury** occurs away from the **insured premises**; but this subdivision (3) does not apply to golf carts while used for golfing purposes.

This exclusion does not apply to **bodily injury** to any **residence employee** arising out of and in the course of his employment by any insured except while such employee is engaged in the operation or maintenance of aircraft;

Revision follows same exclusion (c) of coverage L in new edition.

- (d) to **bodily injury** arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft:
- (1) owned by or rented to any **insured** if the watercraft has inboard or inboard-outboard motor power of more than 50 horsepower or is a sailing vessel (with or without auxiliary power) 26 feet or more in overall length; or
 - (2) powered by any outboard motor(s), singly or in combination of more than 25 total horsepower, if such outboard motor(s) is owned by any **insured** at the inception of this policy and not declared in the [declarations]³, unless the **insured** reports in writing to this company within 45 days after acquisition his intention to insure the outboard motor or combination of outboard motors, ownership of which was acquired prior to the policy period.

This exclusion does not apply to (a) **bodily injury** occurring on the **insured premises** or (b) **bodily injury** to any **residence employee** arising out of and in the course of his employment by any **insured**;

Revision follows same exclusion (d) of coverage L - in new edition.

- (e) to **bodily injury** due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing;

Revision follows same exclusion (e) of coverage L - in new edition.

- (h) to **bodily injury** to any employee, other than a **residence employee**, of any **insured** arising out of and in the course of his employment by any **insured** in connection with the construction of a one or two family dwelling;

Revision follows same exclusion (h) of coverage L - in new edition.

- (i) to **bodily injury** arising out of the ownership, maintenance, operation, use, loading or unloading of any self-propelled land vehicle while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

Revision follows same exclusion (i) of coverage L - in new edition.

COVERAGE N—PHYSICAL DAMAGE TO PROPERTY

Exclusions

(c) arising out of (1) any act or omission in connection with premises (other than the **insured premises**) owned, rented or controlled by any **insured**, (2) business pursuits or professional services or (3) the ownership, maintenance, operation, use, loading or unloading of any land motor vehicle, trailer or semi-trailer, farm machinery or equipment, aircraft or watercraft.

(c) arising out of (1) any act or omission in connection with premises (other than the **insured premises**) owned, rented or controlled by any **insured**, (2) business pursuits or professional services or (3) the ownership, maintenance, operation, use, loading or unloading of any self-propelled land vehicle, trailer or semi-trailer, farm machinery or equipment, aircraft or watercraft.

The words "land motor vehicle" have been changed to "self propelled land vehicle".

PERSONS INSURED

Each of the following is an **insured** under this insurance to the extent set forth below:

- (a) the **named insured**;
- (b) if residents of the **named insured's** household, his spouse, the relatives of either, and any other person under the age of twenty-one in the care of any **insured**;

- (c) under Coverages L and M, with respect to animals and watercraft owned by any **insured**, any person or organization legally responsible therefor, except a person using or having custody or possession of any such animal or watercraft without the permission of the owner;

- (d) under Coverages L and M, with respect to farm tractors and trailers and self-propelled or motor or animal drawn farm implements, any employee of any **insured** while engaged in the employment of the **insured**.

Each of the following is an **insured** under this [insurance]² to the extent set forth below:

- (a) the **named insured** and, if residents of the **named insured's** household, his spouse, the relatives of either, and any other person under the age of twenty-one in the care of any **insured**; but with respect to any animal, watercraft or vehicle, not owned by any such **insured**, only while using or having custody or possession of such animal, watercraft or vehicle with the permission of the owner;

New subdivision (a) replaces former subdivisions (a) and (b). As with automobile policies, permission of the owner is required for use or custody of non owned vehicles.

- (b) under Coverages L and M, with respect to animals or watercraft to which this [insurance]² applies, owned by any **insured**, any person or organization legally responsible therefor, except a person or organization using or having custody or possession of any such animal or watercraft in the course of his business pursuits or without the permission of the owner;

New subdivision (b) replaces former (c). It excepts persons or organizations using or having custody of animals or watercraft in course of business pursuits. This clarifies intent and strengthens exclusion (b).

- (c) under Coverages L and M, with respect to any vehicle to which this [insurance]² applies, any employee of any **insured** while engaged in the employment of the **insured**.

New subdivision (c) replaces former (d). Follows homeowners' general condition 8 (a).

V. LIMITS OF LIABILITY

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability is limited as follows:

Coverage L—The limit of liability stated in the [declarations]³ as applicable to "each occurrence" is the total limit of the company's liability under Coverage L for all damages, including damages for care and loss of services, as the result of any one **occurrence**.

Reference to "damages for care and loss of services" has been inserted. Formerly it appeared in definition of "damages" which has been deleted from jacket.

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability is limited as follows:

Coverage L—The limit of liability stated in the schedule as applicable to "each occurrence" is the total limit of the company's liability under Coverage L for all damages as the result of any one **occurrence**.

When used in reference to this insurance (including endorsements forming a part of the policy):

"aircraft, automobile or watercraft hazard" includes **bodily injury** and **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft, automobile, midget automobile or uninsured watercraft; but this hazard does not include (1) **bodily injury** to any **residence employee** arising out of and in the course of his employment by any insured except while such employee is engaged in the operation or maintenance of aircraft or (2) except with respect to aircraft, **bodily injury** or **property damage** occurring on the **insured premises** or the ways immediately adjoining on land or (3) under Coverage L, **bodily injury** or **property damage** arising out of the operations of independent contractors involving an **automobile** or **midget automobile** not owned or hired by the insured or used in connection with his business pursuits or in the rendering of professional services or (4) **bodily injury** or **property damage** arising out of the use of a land public conveyance by the insured as a passenger;

"business property" means (1) all premises, other than **residence premises**, maintained or used for conducting business pursuits, including farming, or furnishing professional services, (2) that portion of **residence premises** maintained or used for such purposes and (3) all premises, if the whole or any part thereof is rented to others or held for such rental by any insured, but the following shall not be considered as changing premises which are not otherwise **business property** into **business property**:

- (a) the occasional rental or holding for rental of the **residence premises**,
- (b) the rental or holding for rental of a part of the **residence premises** for dwelling purposes, unless for the accommodation of three or more roomers or boarders,
- (c) the rental or holding for rental of not more than three car spaces or stalls in garages or stables,
- (d) the rental or holding for rental of a part of the **residence premises** as an office, school or studio;

This definition eliminated. Replaced by exclusions (c) and (d).

"business property" means (1) all premises, other than **residence premises**, maintained or used for conducting business pursuits, including farming, or furnishing professional services, (2) that portion of **residence premises** maintained or used for such purposes and (3) all premises, if the whole or any part thereof is rented to others or held for such rental by any insured, but the following shall not be considered as changing premises which are not otherwise **business property** into **business property**:

- (a) the occasional rental or holding for rental of the **residence premises**,
- (b) The rental or holding for rental of a part of the **residence premises** for dwelling purposes, unless for the accommodation of three or more roomers or boarders,
- (c) the rental or holding for rental of car spaces or stalls in garages or stables on the **insured premises**,
- (d) the rental or holding for rental of a part of the **residence premises** as an office, school or studio;

Subdivision (c) no longer limited to "not more than three car spaces or stalls".

"fire hazard" includes **property damage** to any **residence premises** and to house furnishings therein if such **property damage** arises out of (1) fire, (2) explosion, or (3) smoke or smudge caused by sudden, unusual and faulty operation of any heating or cooking unit;

"fire hazard" includes **property damage** to any insured premises and to house furnishings therein if such **property damage** arises out of (1) fire, (2) explosion, or (3) smoke or smudge caused by sudden, unusual and faulty operation of any heating or cooking unit;

The words "insured premises" have been substituted for "residence premises" thus providing greater coverage as respects the fire hazard.

"insured premises" means (1) all **residence premises** and private approaches thereto, (2) all other premises and private approaches thereto for use of the named insured or his spouse in connection with the **residence premises**, (3) individual or family cemetery plots or burial vaults, (4) premises on which an insured is temporarily residing, if not owned by any insured and (5) vacant land, other than farm land, owned by or rented to any insured; but **insured premises** does not include (a) any **business property** or (b) vacant land following the commencement of construction operations thereon unless solely by independent contractors in connection with the construction for an insured of a one or two family dwelling;

"insured premises" means (1) all **residence premises** and private approaches thereto, (2) all other premises and private approaches thereto for use of the named insured or his spouse in connection with the **residence premises**, (3) individual or family cemetery plots or burial vaults, (4) premises on which an insured is temporarily residing, if not owned by any insured and (5) vacant land, other than farm land, owned by or rented to any insured, including such vacant land on which a one or two family dwelling is being constructed by an insured for use as a residence by any insured, or by an independent contractor for an insured; but **insured premises** does not include any **business property**;

Subdivision (§) provides for construction of a one or two family dwelling by an insured for use as a residence. This eliminates the need for endorsement "construction of dwellings or farm structures".

"midget automobile" means a land motor vehicle of the type commonly referred to as a "midget automobile", "kart", "go-kart", "speed-mobile" or by a comparable name, whether commercially built or otherwise;

"motor vehicle" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto) but does not include, except while being towed by or carried on a **motor vehicle**, any of the following: utility, boat, camp or home trailer, **recreational motor vehicle**, crawler or farm type tractor, farm implement or, if not subject to motor vehicle registration, any equipment which is designed for use principally off public roads;

Definition of "motor vehicle" is new. It follows homeowners additional definition 3.

"recreational motor vehicle" means (1) a golf cart or snowmobile, or (2) if not subject to motor vehicle registration, any other land motor vehicle designed for recreational use off public roads;

"Midget automobile" definition replaced by exclusion (c).

"recreational motor vehicle" is new and follows homeowners' additional definition 6.

"residence employee" means an employee of an insured whose duties are in connection with the maintenance or use of premises as a residence, including the performance of household or domestic services and the maintenance or use of **automobiles** or teams;

"residence employee" means an employee of any insured whose duties are in connection with the maintenance or use of the **insured premises**, including the performance of household or domestic services, or who performs elsewhere duties of a similar nature not in connection with any **insured's** business pursuits;

Revised definition follows homeowners additional definition 7.

"residence premises" means (1) a one or two family dwelling where the **named insured** or his spouse maintains a residence or (2) that portion of any other multiple dwelling or apartment house occupied by the **named insured** or his spouse as a residence;

"residence premises" means (1) a one or two family dwelling where the **named insured** or his spouse maintains a residence or (2) that portion of any other building occupied by the **named insured** or his spouse as a residence.

In new subdivision (2) "that portion of any other building" has been substituted for "that portion of any other multiple dwelling or apartment house". Clarifies intent and follows homeowners general condition 8c.

"uninsured watercraft" means (1) watercraft owned by or rented to any **insured** if the watercraft has inboard motor power of more than fifty horsepower or is a sailing vessel (with or without auxiliary power) twenty-six feet or more in overall length or (2) any watercraft powered in whole or in part by any outboard motor or combination of outboard motors of more than twenty-four total horsepower and owned by any **insured**, unless (i) the outboard motor or combination of outboard motors is declared in the schedule, or (ii) the **insured** acquires ownership of the outboard motor or combination of outboard motors during the policy period, or (iii) the **insured** reports in writing to the company within 45 days after acquisition his intention to insure the outboard motor or combination of outboard motors ownership of which was acquired prior to the policy period;

"war hazard" includes all **bodily injury** and **property damage** due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing.

This definition eliminated. Replaced by exclusion (c).

This definition eliminated. Replaced by exclusion (e).

Excess Insurance—Coverage L. With respect to loss arising out of the ownership, maintenance, operation, use, loading or unloading of (1) any **automobile** or **midget automobile** at the **insured premises** or (2) watercraft, or any land public conveyance, this insurance shall be excess insurance over any other valid and collectible insurance available to the **insured**.

Excess Insurance—Coverage L. With respect to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any **motor vehicle**, **recreational motor vehicle** or watercraft to which this insurance applies, this insurance shall be excess insurance over any other valid and collectible insurance available to the **insured**.

New edition follows homeowners' general condition 7b.

IX. AMENDED CONDITION

When used in reference to this insurance Condition 9 "Assignment" is amended to include:

In the event of the death of the **named insured** such insurance as is afforded by this policy shall continue to apply to the deceased's spouse, as **insured**, if a resident of the **insured premises** at the time of such death and, with respect to any other persons described in paragraph (a) of the Persons Insured Provision, shall continue to apply, as **insured**, but only while such other person is a resident of the **insured premises**.

New edition follows homeowners' general condition 9.

(a) **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft;

(b) **owned by or rented to any insured** if the watercraft has an inboard or inboard-outboard motor power of more than 40 horsepower or is a spring vessel with or without auxiliary power, 20 feet or more in overall length or

(c) **owned by any outboard motorist**, single or in combination, of more than 25 total horsepower, if such outboard motorist is covered by any insured at the inception of this policy and not declared as not "declared" when the insured returns to office to this company within 60 days after acquiring his license or license the outboard motor or combination of outboard motors, categories of which was required prior to the policy period.

This exclusion does not apply to the bodily injury or property damage resulting from the ownership of the bodily insureds any vehicles employee or insured farm employee arising out of and in the course of his employment as described.

Follows homeowners farmers C.P.L. endorsement exclusion 1(b) except for substitution of "insured premises" for "residence premises". It replaces former C.P.L. exclusion (c) (1) Liability, and the definitions of "aircraft, automobile or watercraft hazard" and "uninsured watercraft".

COVERAGE L—PERSONAL LIABILITY

Exclusions

(c) to **bodily injury** or **property damage** included within (1) the **aircraft, automobile or watercraft hazard** or (2) the **war hazard** with respect to liability assumed by the **insured** under any contract or agreement or expenses for first aid under the Supplementary Payments provision;

(c) to **bodily injury** or **property damage** arising but of the ownership, maintenance, operation, use, loading or unloading of:

- (1) any aircraft; or
- (2) any **motor vehicle** owned or operated by, or rented or loaned to any **insured**; but this subdivision (2) does not apply to **bodily injury** or **property damage** occurring on the **insured premises** if the **motor vehicle** is not subject to motor vehicle registration because it is used exclusively on the **insured premises** or kept in dead storage on the **insured premises**; or
- (3) any **recreational motor vehicle** owned by any **insured**, if the **bodily injury** or **property damage** occurs away from the **insured premises**; but this subdivision (3) does not apply to golf carts while used for golfing purposes.

This exclusion does not apply to **bodily injury** to any **residence employee** or **insured farm employee** arising out of and in the course of his employment by any **insured** except while such employee is engaged in the operation or maintenance of aircraft;

New edition follows "farmers C.P.L. endorsement" for use with homeowners' policy exclusion 1(b) except for substitution of "insured premises" for residence premises". New exclusion replaces former liability exclusion (c) (1) and definitions of aircraft, automobile or watercraft hazard" and "midget automobile" in old edition. Insofar as snowmobiles are concerned, it eliminates need for endorsement "exclusion (snowmobiles)".

(d) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft:

- (1) owned by or rented to any **insured** if the watercraft has inboard or inboard-outboard motor power of more than 50 horsepower or is a sailing vessel (with or without auxiliary power) 26 feet or more in overall length; or
- (2) powered by any outboard motor(s), singly or in combination of more than 25 total horsepower, if such outboard motor(s) is owned by any **insured** at the inception of this policy and not declared in the [declarations]³, unless the **insured** reports in writing to this company within 45 days after acquisition his intention to insure the outboard motor or combination of outboard motors, ownership of which was acquired prior to the policy period.

This exclusion does not apply to (a) **bodily injury** or **property damage** occurring on the **insured premises** or (b) **bodily injury** to any **residence employee** or **insured farm employee** arising out of and in the course of his employment by any **insured**;

Follows homeowners farmers C.P.L. endorsement exclusion 1(b) except for substitution of "insured premises" for "residence premises". It replaces former C.P.L. exclusion (c) (1) liability, and the definitions of "aircraft, automobile or watercraft hazard" and "uninsured watercraft".

- (e) to **bodily injury or property damage** due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to liability assumed by the insured under any contract or agreement or expenses for first aid under the Supplementary Payments provision;

Replaces exclusion (c) (2) of former edition, and the "war hazard" definition. Both of these have been deleted.

(d) to liability assumed by the insured under any contract or agreement; but this exclusion does not apply, except with respect to **property damage** included within the fire hazard, (1) to any indemnity obligation assumed under a written contract directly relating to the insured premises or (2) liability of others assumed under any other written contract or (3) a warranty of goods or products;

- (f) to liability assumed by the insured under any contract or agreement not in writing or under any contract or agreement in connection with business pursuits (other than farming) or professional services of the insured or in connection with **property damage** included within the fire hazard; but this exclusion does not apply to a warranty of goods or products;

Follows homeowners' exclusion 2 (a) and supplementary coverage 4. It replaces former C.P.L. exclusion (d) - liability.

- (k) to **bodily injury** to any employee, other than a **residence employee** or **insured farm employee**, of any insured arising out of and in the course of his employment by any insured in connection with the construction of a one or two family dwelling or a farm structure;

Follows homeowners supplementary coverage 5. It fits into revision of definition of "insured premises" in section VIII "additional definitions".

- (l) to **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any self-propelled land vehicle while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity;

New exclusion. Follows similar exclusion in CGL revision. Vehicles used for racing, etc., activities are excluded.

II. COVERAGE M-PERSONAL MEDICAL PAYMENTS

The company will pay to or for each person who sustains **bodily injury** caused by accident all reasonable **medical expense** incurred within one year from the date of the accident on account of such **bodily injury**, provided such **bodily injury** (a) is sustained while on the insured premises with the permission of any insured or (b) is sustained elsewhere and (1) arises out of a condition in the insured premises or the ways immediately adjoining on land, or (2) is caused by any insured, by any farm employee or residence employee in the course of his employment by an insured, or by any animal owned by or in the care of any insured or (3) is sustained by any insured farm employee or residence employee and arises out of and in the course of his employment by any insured.

The company will pay to or for each person who sustains **bodily injury** caused by accident all reasonable **medical expense** incurred within one year from the date of the accident on account of such **bodily injury**, provided such **bodily injury** (a) is sustained while on the insured premises with the permission of any insured or (b) is sustained elsewhere and (1) arises out of a condition in the insured premises or the ways immediately adjoining or (2) is caused by any insured, by any farm employee or residence employee in the course of his employment by an insured, or by any animal owned by or in the care of any insured or (3) is sustained by any insured farm employee or residence employee and arises out of and in the course of his employment by any insured.

The words "on land" have been deleted from (b) (1), following homeowners coverage F.

(c) to **bodily injury** included within (1) the aircraft, automobile or watercraft hazard or (2) the war hazard;

(c) to **bodily injury** arising out of the ownership, maintenance, operation, use, loading or unloading of:

- (1) any aircraft; or
- (2) any **motor vehicle** owned or operated by, or rented or loaned to any **insured**; but this subdivision (2) does not apply to **bodily injury** occurring on the **insured premises** if the **motor vehicle** is not subject to motor vehicle registration because it is used exclusively on the **insured premises** or kept in dead storage on the **insured premises**; or
- (3) any **recreational motor vehicle** owned by any **insured**, if the **bodily injury** occurs away from the **insured premises**; but this subdivision (3) does not apply to golf carts while used for golfing purposes.

This exclusion does not apply to **bodily injury** to any **residence employee** or **insured farm employee** arising out of and in the course of his employment by any **insured** except while such employee is engaged in the operation or maintenance of aircraft;

Revision follows same exclusion (c) of liability coverage in new edition.

(d) to **bodily injury** arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft:

- (1) owned by or rented to any **insured** if the watercraft has inboard or inboard-outboard motor power of more than 50 horsepower or is a sailing vessel (with or without auxiliary power) 26 feet or more in overall length; or
- (2) powered by any outboard motor(s), singly or in combination of more than 25 total horsepower, if such outboard motor(s) is owned by any **insured** at the inception of this policy and not declared in the [declarations]³, unless the **insured** reports in writing to this company within 45 days after acquisition his intention to insure the outboard motor or combination of outboard motors, ownership of which was acquired prior to the policy period.

This exclusion does not apply to (a) **bodily injury** occurring on the **insured premises** or (b) **bodily injury** to any **residence employee** or **insured farm employee** arising out of and in the course of his employment by any **insured**;

Revision follows same exclusion (d) of liability coverage in new edition.

(e) to **bodily injury** due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing;

Revision follows same exclusion (e) of liability coverage in new edition.

(h) to **bodily injury** to any employee, other than a **residence employee** or **insured farm employee**, of any **insured** arising out of and in the course of his employment by any **insured** in connection with the construction of a one or two family dwelling or a farm structure;

Revision follows same exclusion (h) of liability coverage in new edition.

(i) to **bodily injury** arising out of the ownership, maintenance, operation, use, loading or unloading of any self-propelled land vehicle while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity[;]

Revision follows same exclusion (i) of liability coverage in new edition.

III. COVERAGE N—PHYSICAL DAMAGE TO PROPERTY

(c) arising out of (1) any act or omission in connection with premises (other than the **insured premises**) owned, rented or controlled by any **insured**, (2) business pursuits or professional services or (3) the ownership, maintenance, operation, use, loading or unloading of any land motor vehicle, trailer or semi-trailer, farm machinery or equipment, aircraft or watercraft.

(c) arising out of (1) any act or omission in connection with premises (other than the **insured premises**) owned, rented or controlled by any **insured**, (2) business pursuits or professional services or (3) the ownership, maintenance, operation, use, loading or unloading of any self-propelled land vehicle, trailer or semi-trailer, farm machinery or equipment, aircraft or watercraft.

The words "land motor vehicle" have been changed to "self propelled land vehicle."

V. PERSONS INSURED

Each of the following is an **insured** under this insurance to the extent set forth below:

- (a) the **named insured**;
- (b) if residents of the **named insured's** household, his spouse, the relatives of either, and any other person under the age of twenty-one in the care of any **insured**;

(c) under Coverages L and M, with respect to animals and watercraft owned by any **insured**, any person or organization legally responsible therefor, except a person using or having custody or possession of any such animal or watercraft without the permission of the owner;

Each of the following is an **insured** under this [insurance]² to the extent set forth below:

- (a) the **named insured** and, if residents of the **named insured's** household, his spouse, the relatives of either, and any other person under the age of twenty-one in the care of any **insured**; but with respect to any animal, watercraft or vehicle, not owned by any such **insured**, only while using or having custody or possession of such animal, watercraft or vehicle with the permission of the owner;

New subdivision (a) replace 2 former subdivision (a) and (b). As with automobile policies permission of the owner is required for use or custody of non-owned vehicles.

- (b) under Coverages L and M, with respect to animals or watercraft to which this [insurance]² applies, owned by any **insured**, any person or organization legally responsible therefor, except a person or organization using or having custody or possession of any such animal or watercraft in the course of his business pursuits or without the permission of the owner;

New subdivision (b) replaces former (c) it excepts persons or organizations using or having custody of animals or watercraft in course of business pursuits. This clarifies intent and strengthens exclusion (b).

(d) under Coverages L and M, with respect to farm tractors and trailers and self-propelled or motor or animal drawn farm implements, any employee of any **insured** while engaged in the employment of the **insured**.

- (c) under Coverages L and M, with respect to any vehicle to which this [insurance]² applies, any employee of any **insured** while engaged in the employment of the **insured**.

New subdivision (c) replaces former (d). Follows homeowners' general condition 8 (a).

VI. LIMITS OF LIABILITY

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability is limited as follows:

Coverage L—The limit of liability stated in the schedule as applicable to "each occurrence" is the total limit of the company's liability under Coverage L for all damages as the result of any one occurrence.

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, or (3) claims made or suits brought on account of **bodily injury** or **property damage**, the company's liability is limited as follows:

Coverage L—The limit of liability stated in the [declarations]³ as applicable to "each occurrence" is the total limit of the company's liability under Coverage L for all damages, including damages for care and loss of services, as the result of any one occurrence.

Reference to "damages for care and loss of services" has been inserted. Formerly it appeared in definition of "damages which has been deleted from jacket.

When used in reference to this insurance (including endorsements forming a part of the policy):

"aircraft, automobile or watercraft hazard" includes **bodily injury** and **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft, automobile, midget automobile or uninsured watercraft; but this hazard does not include (1) **bodily injury** to any residence employee or insured farm employee arising out of and in the course of his employment by any insured except while such employee is engaged in the operation or maintenance of aircraft or (2) except with respect to aircraft, **bodily injury** or **property damage** occurring on the insured premises or the ways immediately adjoining on land or (3) under Coverage L, **bodily injury** or **property damage** arising out of the operations of independent contractors involving an automobile or midget automobile not owned or hired by the insured or used in connection with his business pursuits or in the rendering of professional services or (4) **bodily injury** or **property damage** arising out of the use of a land public conveyance by the insured as a passenger;

"business property" means (1) all premises, other than residence premises, maintained or used for conducting business pursuits or furnishing professional services, (2) that portion of residence premises maintained or used for such purposes and (3) all premises, if the whole or any part thereof is rented to others or held for such rental by any insured, but the following shall not be considered as changing premises which are not otherwise business property into business property:

- (a) the occasional rental or holding for rental of the residence premises,
- (b) the rental or holding for rental of a part of the residence premises for dwelling purposes, unless for the accommodation of three or more roomers or boarders,
- (c) the rental or holding for rental of not more than three car spaces or stalls in garages or stables,
- (d) the rental or holding for rental of a part of the residence premises as an office, school or studio;

"fire hazard" includes **property damage** to any residence premises away from the farm, and to house furnishings in such a residence if such **property damage** arises out of (1) fire, (2) explosion, or (3) smoke or smudge caused by sudden, unusual and faulty operation of any heating or cooking unit;

When used in reference to this insurance (including endorsements forming a part of the policy):

"business property" means (1) all premises, other than residence premises, maintained or used for conducting business pursuits or furnishing professional services, (2) that portion of residence premises maintained or used for such purposes and (3) all premises, if the whole or any part thereof is rented to others or held for such rental by any insured, but the following shall not be considered as changing premises which are not otherwise business property into business property:

- (a) the occasional rental or holding for rental of the residence premises,
- (b) the rental or holding for rental of a part of the residence premises for dwelling purposes, unless for the accommodation of three or more roomers or boarders,
- (c) the rental or holding for rental of car spaces or stalls in garages or stables on the insured premises,
- (d) the rental or holding for rental of a part of the residence premises as an office, school or studio;

Subdivision (c) no longer limited to "not more than three" car spaces or stalls.

"fire hazard" includes **property damage** to any insured premises away from the farm, and to house furnishings therein if such **property damage** arises out of (1) fire, (2) explosion, or (3) smoke or smudge caused by sudden, unusual and faulty operation of any heating or cooking unit;

The words "insured premises" have been substituted for "residence premises" thus providing greater coverage as respects the fire hazard.

"insured premises" means (1) all residence premises, all premises which the named insured or his spouse owns, rents or operates as a farm, and all private approaches to such premises, (2) all other premises and private approaches thereto for use of the named insured or his spouse in connection with the premises described in subdivision (1) above, (3) individual or family cemetery plots or burial vaults, (4) premises on which an insured is temporarily residing, if not owned by any insured and (5) vacant land owned by or rented to any insured; but insured premises does not include (a) any business property other than a farm or (b) vacant land following the commencement of construction operations thereon unless solely by independent contractors in connection with the construction for an insured of a one or two family dwelling or a farm structure;

"insured premises" means (1) all residence premises, all premises which the named insured or his spouse owns, rents or operates as a farm, and all private approaches to such premises, (2) all other premises and private approaches thereto for use of the named insured or his spouse in connection with the premises described in subdivision (1) above, (3) individual or family cemetery plots or burial vaults, (4) premises on which an insured is temporarily residing, if not owned by any insured and (5) vacant land owned by or rented to any insured, including such vacant land on which a one or two family dwelling or a farm structure is being constructed by an insured for use as a residence or a farm structure by any insured, or by an independent contractor for an insured; but insured premises does not include any business property other than a farm;

Subdivision (5) provides for construction of a one or two family dwelling by an insured for use as a residence. This eliminate the need for endorsement "construction of dwellings or farm structures".

"aircraft, automobile or watercraft hazard" includes **bodily injury** and **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft, **automobile**, **midget automobile** or **uninsured watercraft**; but this hazard does not include (1) **bodily injury** to any **residence employee** or **insured farm employee** arising out of and in the course of his employment by any **insured** except while such employee is engaged in the operation or maintenance of aircraft or (2) except with respect to aircraft, **bodily injury** or **property damage** occurring on the **insured premises** or the ways immediately adjoining on land or (3) under Coverage L, **bodily injury** or **property damage** arising out of the operations of independent contractors involving an **automobile** or **midget automobile** not owned or hired by the **insured** or used in connection with his business pursuits or in the rendering of professional services or (4) **bodily injury** or **property damage** arising out of the use of a land public conveyance by the **insured** as a passenger;

"midget automobile" means a land motor vehicle of the type commonly referred to as a "midget automobile", "kart", "go-kart", "speed-mobile" or by a comparable name, whether commercially built or otherwise;

"residence employee" means an employee of an **insured** whose duties are exclusively in connection with the maintenance or use of premises as a residence, including the performance of household or domestic services and the maintenance or use of **automobiles** or teams;

"residence premises" means (1) a one or two family dwelling where the **named insured** or his spouse maintains a residence or (2) that portion of any other multiple dwelling or apartment house occupied by the **named insured** or his spouse as a residence;

"uninsured watercraft" means (1) watercraft owned by or rented to any **insured** if the watercraft has inboard motor power of more than fifty horsepower or is a sailing vessel (with or without auxiliary power) twenty-six feet or more in over-all length or (2) any watercraft powered in whole or in part by any outboard motor or combination of outboard motors of more than twenty-four total horsepower and owned by any **insured**, unless (i) the outboard motor or combination of outboard motors is declared in the schedule, or (ii) the **insured** acquires ownership of the outboard motor or combination of outboard motors during the policy period, or (iii) the **insured** reports in writing to the company within 45 days after acquisition his intention to insure the outboard motor or combination of outboard motors ownership of which was acquired prior to the policy period;

"war hazard" includes all **bodily injury** and **property damage** due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing.

This definition eliminated. Replaced by exclusions (c) and (d).

This definition replaced by exclusion (c).

"residence employee" means an employee of any **insured** whose duties are exclusively in connection with the maintenance or use of the **residence premises**, including the performance of household or domestic services, or who performs elsewhere duties of a similar nature not in connection with any **insured's** business pursuits or farming operations;

Revised definition follows homeowners' additional definition 7.

"residence premises" means (1) a one or two family dwelling where the **named insured** or his spouse maintains a residence or (2) that portion of any other building occupied by the **named insured** or his spouse as a residence.

In new subdivision (2) "that portion of any other building" has been substituted for "that portion of any other multiple dwelling or apartment house", clarifies intent and follows homeowners' general condition 8C.

This definition eliminated. Replaced by exclusion (c).

This definition eliminated. Replaced by exclusion (c).

"motor vehicle" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto) but does not include, except while being towed by or carried on a motor vehicle, any of the following: utility, boat, camp or home trailer, recreational motor vehicle, crawler or farm type tractor, farm implement or, if not subject to motor vehicle registration, any equipment which is designed for use principally off public roads;

New definition. It follows homeowners additional definition 3.

"recreational motor vehicle" means (1) a golf cart or snowmobile, or (2) if not subject to motor vehicle registration, any other land motor vehicle designed for recreational use off public roads:

New definition. It follows homeowners' additional definition 6.

IX. ADDITIONAL CONDITIONS

D. Excess Insurance—Coverage L. With respect to loss arising out of the ownership, maintenance, operation, use, loading or unloading of (1) any automobile or midget automobile at the insured premises or (2) watercraft, or any land public conveyance, this insurance shall be excess insurance over any other valid and collectible insurance available to the insured.

Excess Insurance—Coverage L. With respect to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any motor vehicle, recreational motor vehicle or watercraft to which this insurance applies, this insurance shall be excess insurance over any other valid and collectible insurance available to the insured.

New edition follows homeowners' general condition 7 b.

NO CHANGES ON THIS PAGE

X. AMENDED CONDITION

When used in reference to this insurance Condition 9 "Assignment" is amended to include:

In the event of the death of the named insured such insurance as is afforded by this policy shall continue to apply to the deceased's spouse, as insured, if a resident of the insured premises at the time of such death and, with respect to any other persons described in paragraph (a) of the Persons Insured Provision, shall continue to apply, as insured, but only while such other person is a resident of the insured premises.

New edition follows homeowners' general condition 9.

Nuclear Energy Liability Exclusion (Broad Form)

PART 93

SUMMARY OF LIABILITY CHANGES

By George H. Korn, CPCU

While the proposed 1972 revision in the Comprehensive General Liability Policy clarifies and in some instances modernizes the form, there are still gaps and deficiencies. A number of modifications must still be made by the insured with the help of the agent or broker.

For instance, the requirement that the named insured take at his own expense all reasonable steps to prevent other injury or damage caused by the same or similar conditions has been removed from the proposed revised policy. Existing policies should be amended by endorsement so as to define or set out definitely what the reasonable steps are and also to provide some measure of the length of time that will be allowed to accomplish them.

Insureds in the auto business who operate racing cars must arrange liability insurance on such vehicles with a specialty company. There is no coverage for racing automobiles under the proposed revision. Likewise, the operation or use of snowmobiles is excluded. A specialty company should be approached for liability on these vehicles also.

The former Pollution Exclusion Endorsement is now a part of the policy itself. There are few, if any, underwriters providing coverage in this area.

There is to be no coverage for any insured for the operation of automobiles, aircraft or watercraft. Boats, in case within the scope of coverage must be ashore or on premises owned, rented or controlled by the insured. In other words, separate Automobile, Aviation or Watercraft Liability Insurance is required for proper protection. This applies to Non-Ownership coverage as well as coverage for owned boats, aircraft or automobiles.

NO CHANGES IN THIS FORM

PART #3

SUMMARY OF LIABILITY CHANGES

By George M. Korn, CPCU

While the proposed 1972 revision in the Comprehensive General Liability Policy clarifies and in some instances modernizes the form, there are still gaps and deficiencies. A number of modifications must still be made by the insured with the help of the agent or broker.

For instance, the requirement that the named insured take at his own expense all reasonable steps to prevent other injury or damage caused by the same or similar conditions has been removed from the proposed revised policy. Existing policies should be amended by endorsement so as to define or set out definitely what the reasonable steps are and also to provide some measure of the length of time that will be allowed to accomplish them.

Insureds in the auto racing business or insureds who sponsor racing cars must arrange Liability Insurance on such vehicles with a specialty company. There is no coverage for racing automobiles under the proposed revision. Likewise, the operation or use of snowmobiles is excluded. A specialty company should be approached for Liability on these vehicles also.

The former Pollution Exclusion Endorsement is now a part of the policy itself. There are few, if any, underwriters providing coverage in this area.

There is to be no coverage for any insured for the operation of automobiles, aircraft or watercraft. Boats, to come within the scope of coverage must be ashore or on premises owned, rented or controlled by the insured. In other words, separate Automobile, Aviation or Watercraft Liability Insurance is required for proper protection. This applies to Non-Ownership coverage as well as coverage for owned boats, aircraft or automobiles.

The Liquor Exclusion applies to risks in the liquor business and to owners or lessors of premises used in the manufacture, sale or distribution of alcoholic beverages. The revised exclusion only takes away coverage for landlords (owners or lessors) of premises when liability is imposed by statute. So, any risk in the liquor business should have special Liquor Liability coverage. Other risks may be able to have this exclusion deleted from their policies by the underwriter.

The word "occurrence" as defined in the new policy still includes reference to the word "accident". The 1966 revision provided "occurrence" basis coverage as opposed to the old "accident" coverage. So as to eliminate any reference to the restrictive word "accident", some underwriters will permit the substitution of the word "event" for "accident" in the new "occurrence" definition.

In summation, there is still a need to endorse the proposed Comprehensive General Liability Revised Policy so as to provide Personal Injury coverage. The new policy only provides coverage for Bodily Injury, Sickness, Disease and Death. Contractual Liability, when the revised Contractual Liability coverage part is used, still does not automatically provide insurance on a Blanket basis. To arrange "Blanket Contractual" requires a specific request to underwriters. Modification of the Liquor Exclusion is desirable as mentioned above or separate Liquor Liability Insurance should be purchased as the need be. Unless specifically set up in advance, new entities acquired through mergers, etc. still aren't automatically included as named insureds. Finally, if the insured has an Errors & Omissions exposure, it still must be separately covered either by an individual policy or by special endorsement to the Comprehensive General Liability Policy.

1. Liquor Law Exclusion Proposed 1972

Amended 1973

to bodily injury or property damage for which the insured may be held liable

- (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or
- (2) if not so engaged, as an owner or lessor of premises used for such purposes,

by reason of the selling, serving or giving of any alcoholic beverage

- (i) in violation of any statute, ordinance or regulation,
- (ii) to a minor,
- (iii) to a person under the influence of alcohol, or
- (iv) which causes or contributes to the intoxication of any person;

but parts (ii), (iii) and (iv) of this exclusion do not apply with respect to liability of the insured as an owner or lessor described in (2) above;

to bodily injury or property damage for which the insured may be held liable

- (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or
 - (2) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed
 - (i) by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or
 - (ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;
- but part (ii) of this exclusion does not apply with respect to liability of the insured as an owner or lessor described in (2) above;

Subdivision (1) of the exclusion denies coverage for liability based on a "violation of any statute, ordinance or regulation". The intent of this has always been to deny coverage if liability is predicated on a dram shop statute, or because of the violation of other statutes, ordinances or regulations which is the basis of common law action. Technically, Subdivision (1) of the exclusion may not deny coverage under a dram shop statute as intended. This is because dram shop acts create a cause of action-liability is not imposed because of a "violation" of the act as may be the case when other statutes, penal in nature, are involved. The revised exclusion editorially changes Subdivision (1) to deny coverage if liability is imposed "by, or because of the violation of, any statute, ordinance or regulation".

2. Employers' Liability Exclusion

The 1972 changes did not affect this exclusion. Therefore, no reference to it is made in the analysis. There are two wordings in use, one with a "but" clause excepting liability assumed under incidental contract and one without a "but" clause, depending on the coverage part.

As point of reference, shown below is the wording of the "but" clause type. The amendment does not affect the "but" clause and the comments apply to both types.

Proposed 1972

Amended 1973

to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured; but this exclusion does not apply to liability assumed by the insured under an incidental contract;

to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury;

The addition of the words "or to any obligation of the insured to indemnify another because of damages arising out of such injury" is to avoid court decisions that have held, contrary to intent, that the exclusion does not apply to situations where an employee of the insured recovers against a third party who in turn brings action against the insured. The amendment does not affect the Contractual Liability coverage part.

3. Persons Insured

The 1972 changes did not affect this policy provision and no reference was made to it in the analysis. There are several wordings in the 1966 policy. Refer to specific policy. For point of reference the CGL provision is shown.

Proposed 1972

if the named insured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor;

Amended 1973

if the named insured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;

Where the named insured is an individual, the "Persons Insured" provision has been expanded so as to cover also his spouse as an insured. The amended 1973 wording cited includes the words "with respect to the conduct of such a business". The same wording is used in the amended Completed Operations & Products Liability and the Storekeeper's coverage parts. Other coverage parts, such as, Contractual, Druggists', Owners' and Contractors' Protective have been amended by the addition of the words "and his spouse" at the end of the previously applicable wording.

